

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Department of Mines and Geology – Exploration and Exploitation of Coal of Suliyari Coal Block – Calling Expression of Interests for Joint Venture Partner by M/s. A.P. Mineral Development Corporation Limited – Permission – Accorded.

INDUSTRIES AND COMMERCE (MINES.I) DEPARTMENT

G.O.Ms.No.182.

Dated: 22-7-2009.

Read the following:

From the VC & MD., M/s. APMDC Ltd., file No.APMDC/38/2-COAL/
2008, dated: 19.11.2008.

ORDER:

In the reference read above, the Vice-Chairman and Managing Director, M/s. A.P. Mineral Development Corporation has stated that in pursuant to the Board Meeting No.339, dated 22.11.2007, the Government is requested to accord permission on the following points:

- a) to invite quotations for conducting detailed Exploration of Suliyari Coal block,
- b) to call for Expression of Interests to select a Joint Venture Partner for Exploration, Mining and to meet the mile stones set by the Ministry of Coal, Government of India for Exploration and Exploitation of Coal of Suliyari Coal block.
- c) to call for Expression of Interest to select a Joint Venture Partner in respect of blocks for Privatization by the Singareni Collieries Company Limited.
- d) to approve the 11% free-equity as resolved in the Board Meeting, to be given to M/s. Andhra Pradesh Mineral Development Corporation Ltd., by the JV Partner and the consideration amount, equivalent to Royalty payable in Andhra Pradesh as fixed by the Government.

2. It is also stated that the allocation of the Suliyari Coal block has been made under the Government Company dispensation in pursuance of the provisions of Section 3(3)(a)(i) of the Coal Mines (Nationalization) Act, 1973, the Prospecting/ Detailed exploration and Coal mining shall be carried out by M/s. Andhra Pradesh Mineral Development Corporation Ltd., or a Separate Company to be created with participation of M/s. Andhra Pradesh Mineral Development Corporation providing that the separate created company is a Government company eligible to do coal mining as per the provision of the Coal Mines (Nationalization) Act, 1973.

3. The Vice-Chairman and Managing Director, M/s. Andhra Pradesh Mineral Development Corporation Limited, has requested the Government to accord permission to Call for expression of interest to select a Joint Venture Partner for exploration, Mining and to meet the mile stones set by the Ministry of Coal, Government of India, for exploration and exploitation of Coal of Suliyari Coal Block in accordance with the conditions of the allotment letter. The Joint Venture Company, to be promoted for the purpose of starting Exploration and Exploitation activities in the coal block, Andhra Pradesh Mineral Development Corporation will be holding 51% of paid up share capital in the JVC and balance 49% would be offered to the Private Sector Company selected through this process

- ❖ The mining lease granted to M/s. Andhra Pradesh Mineral Development Corporation for Suliyari Coal block would be transferred to the Joint Venture Company (subject to the approval of Central Govt.).

- ❖ The private sector Company holding 49% in the Joint Venture Company would be required to undertake all activities related to exploration, development and exploitation, of coal from the Suliyari Coal block.
- ❖ All resources – Financial, Human, Technology and other inputs in the Special Purpose Vehicle would be made by the Private Sector Partner and M/s. Andhra Pradesh Mineral Development Corporation would not be required to make any investment in Special Purpose Vehicle.
- ❖ The coal produced from the Suliyari Coal Block shall be sold by Joint Venture Company to the Joint Venture Partner or its nominee through a long term Coal Sale-purchase Agreement, valid till the reserves of Suliyari Coal Block are fully exploited, at a price, which would be the sum of production cost (reimbursed by Joint Venture Company to Mining Special Purpose Vehicle) and the royalty payable as prescribed by the Central Government, plus a sum equivalent to the royalty payable to M/s. Andhra Pradesh Mineral Development Corporation as consideration amount, every year on the Coal Mines in accordance with the decision by the Government of Andhra Pradesh in G.O.Ms.No.332, Dated:03.12.2007. The Joint Venture Company in turn would pay the consideration amount to M/s. Andhra Pradesh Mineral Development Corporation Limited, (the amount collected in terms of G.O.Ms.No.332, Dated:03.12.2007 of GoAP). M/s. Andhra Pradesh Mineral Development Corporation is totally absolved from investment to be made in the project.

4. Government after careful examination of the matter, is hereby permit the Vice-Chairman and Managing Director, M/s. Andhra Pradesh Mineral Development Corporation Limited, “to call for Expression of Interests to select a Joint Venture Partner for Exploration, Mining and to meet the mile stones set by the Ministry of Coal, Government of India for exploration and exploitation of Coal of Suliyari Coal block.”

5. This order issues with the concurrence of Finance Expr. I&C) Dept., vide their U.O.No. 14297/262/ Exp.I&C/09, dated:22-6-2009.

6. The Vice-Chairman and Managing Director, M/s. Andhra Pradesh Mineral Development Corporation Limited shall take further necessary action in the matter.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

Y. SRILAKSHMI
SECRETARY TO GOVERNMENT

To
The Vice-Chairman and Managing Director,
M/s. A.P.Mineral Development Corporation Limited, Hyderabad.
The Finance (Expr. I&C) Department.
The P.S. to Principal Secretary to Chief Minister, A.P.Hyderabad.
The P.S. to Minister (Mines & Geology).
Sf/Sc.

(“ Copy of this order is available on internet and can be accessed at address
<http://www.ap.gov.in/goir>”)

//FORWARDED :: BY ORDER//

SECTION OFFICER